



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
OHIO VALLEY EDUCATIONAL COOPERATIVE**

Fiscal Year Ended June 30, 2000

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
WWW.KYAUDITOR.NET**

**144 CAPITOL ANNEX
FRANKFORT, KY 40601
TELE. (502) 564-5841
FAX (502) 564-2912**



EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

T. Kevin Flanery, Secretary, Finance and Administration Cabinet

Gene Wilhoit, Commissioner, Department of Education

Robert S. Sherman, Director, Legislative Research Commission

Dr. John Rosati, Chief Executive Officer, Ohio Valley Educational Cooperative

Board of Directors of the Ohio Valley Educational Cooperative

The enclosed report prepared by Crowe, Chizek and Company LLP, Certified Public Accountants, presents the financial statements of the Ohio Valley Educational Cooperative, Louisville, Kentucky, as of June 30, 2000.

We engaged Crowe, Chizek and Company LLP, to perform the financial audit of this educational cooperative. We worked closely with the firm during our report review process; Crowe, Chizek and Company LLP, evaluated the Ohio Valley Educational Cooperative's internal controls and compliance with applicable laws and regulations.

Respectfully submitted,

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Enclosure

OHIO VALLEY EDUCATIONAL COOPERATIVE
Shelbyville, Kentucky

FINANCIAL STATEMENTS
June 30, 2000

OHIO VALLEY EDUCATIONAL COOPERATIVE
Shelbyville, Kentucky

FINANCIAL STATEMENTS
June 30, 2000

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REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS

Board of Directors
Ohio Valley Educational Cooperative
Shelbyville, Kentucky

We have audited the accompanying general purpose financial statements of the Ohio Valley Educational Cooperative as of June 30, 2000, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, these general purpose financial statements have been prepared on the cash basis, adjusted for accounts receivable and accounts payable, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from cash transactions - adjusted for accounts receivable and accounts payable, of the Ohio Valley Educational Cooperative at June 30, 2000, and the cash receipts and disbursements and changes in fund balances arising from cash transactions for the year then ended, on the basis of accounting described in Note 1 to the Financial Statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2000 on our consideration of Ohio Valley Educational Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws,

regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Ohio Valley Educational Cooperative. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information, except for the schedule marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Crowe, Chizek and Company LLP

Crowe, Chizek and Company LLP

Louisville, Kentucky
November 2, 2000

OHIO VALLEY EDUCATIONAL COOPERATIVE
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS – ADJUSTED FOR
 ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
 June 30, 2000

	General Fund	Federal Grants	State and Local Grants	Totals (Memorandum Only)
ASSETS				
Cash	\$312,873	\$219,490	\$ 29,251	\$ 561,614
Certificate of deposit	-	-	250,000	250,000
Accounts receivable	<u>45,404</u>	<u>392,369</u>	<u>219,590</u>	<u>657,363</u>
Total assets	<u>\$358,277</u>	<u>\$611,859</u>	<u>\$498,841</u>	<u>\$1,468,977</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	<u>\$ 25,205</u>	<u>\$318,729</u>	<u>\$ 36,813</u>	<u>\$ 380,747</u>
Fund balances				
Unrestricted	\$327,110	\$ -	\$ -	\$ 327,110
Restricted	<u>5,962</u>	<u>293,130</u>	<u>462,028</u>	<u>761,120</u>
Total fund balances	<u>\$333,072</u>	<u>\$293,130</u>	<u>\$462,028</u>	<u>\$1,088,230</u>
Total liabilities and fund balances	<u>\$358,277</u>	<u>\$611,859</u>	<u>\$498,841</u>	<u>\$1,468,977</u>

See accompanying notes.

OHIO VALLEY EDUCATIONAL COOPERATIVE
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 ARISING FROM CASH TRANSACTIONS – ADJUSTED FOR
 ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
 Year ended June 30, 2000

	General Fund	Federal Grants	State and Local Grants	Totals (Memorandum Only)
Cash, July 1, 1999	\$ 322,646	\$ 163,788	\$ (29,846)	\$ 456,588
Receipts				
Revenues from school districts, local monies	\$ 639,632	\$ -	\$ 64,884	\$ 704,516
Federal aid through state	-	1,458,794	-	1,458,794
Revenue direct from federal sources	-	4,086,287	-	4,086,287
Revenue direct from state sources, grants	-	-	886,848	886,848
Revenues from state sources, Memorandums of Agreement	48,285	-	6,986,367	7,034,652
Crusade for Children	-	-	64,222	64,222
Galef Institute	-	-	448,558	448,558
Interest	35,815	-	-	35,815
Other revenue	57,785	42,031	32,172	131,988
Indirect revenue	440,128	-	-	440,128
Transfers, advances and reimbursements	351,690	-	188,130	539,820
Total receipts	<u>\$1,573,335</u>	<u>\$5,587,112</u>	<u>\$8,671,181</u>	<u>\$15,831,628</u>
Disbursements				
Certified salaries	\$ 749,849	\$ 901,273	\$6,600,866	\$ 8,251,988
Classified salaries	71,688	1,402,833	293,744	1,768,265
Fringe benefits	40,765	322,994	956,732	1,320,491
Travel	16,431	236,628	73,336	326,395
Program equipment	7,188	176,785	33,413	217,386
Supplies, postage and other	45,972	447,871	81,027	574,870
Contractual and other	185,481	1,913,791	322,966	2,422,238
Transfers, advances and reimbursements	465,734	129,235	-	594,969
Total disbursements	<u>\$1,583,108</u>	<u>\$5,531,410</u>	<u>\$8,362,084</u>	<u>\$15,476,602</u>
Excess of receipts over disbursements (disbursements over receipts)	<u>\$ (9,773)</u>	<u>\$ 55,702</u>	<u>\$ 309,097</u>	<u>\$ 355,026</u>
Cash and certificate of deposit, June 30, 2000	<u>\$ 312,873</u>	<u>\$ 219,490</u>	<u>\$ 279,251</u>	<u>\$ 811,614</u>

See accompanying notes.

OHIO VALLEY EDUCATIONAL COOPERATIVE
 COMBINED STATEMENT OF CHANGES IN FUND BALANCES
 ARISING FROM CASH TRANSACTIONS – ADJUSTED FOR
 ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
 Year ended June 30, 2000

	<u>General Fund</u>	<u>State and Federal Grants</u>	<u>Totals Local Grants</u>	<u>(Memorandum Only)</u>
Fund balances, July 1, 1999	\$ 400,197	\$ 195,384	\$ 175,198	\$ 770,779
Revenues				
Receipts	\$ 1,573,335	\$ 5,587,112	\$ 8,671,181	\$ 15,831,628
Increase (decrease) in accounts receivable	<u>(33,944)</u>	<u>105,748</u>	<u>(17,867)</u>	<u>53,937</u>
Total	<u>\$ 1,539,391</u>	<u>\$ 5,692,860</u>	<u>\$ 8,653,314</u>	<u>\$ 15,885,565</u>
Expenditures				
Disbursements	\$ 1,583,108	\$ 5,531,410	\$ 8,362,084	\$ 15,476,602
Increase in accounts payable	<u>23,408</u>	<u>63,704</u>	<u>4,400</u>	<u>91,512</u>
Total	<u>\$ 1,606,516</u>	<u>\$ 5,595,114</u>	<u>\$ 8,366,484</u>	<u>\$ 15,568,114</u>
Fund balances, June 30, 2000	<u><u>\$ 333,072</u></u>	<u><u>\$ 293,130</u></u>	<u><u>\$ 462,028</u></u>	<u><u>\$ 1,088,230</u></u>

See accompanying notes.

OHIO VALLEY EDUCATIONAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization: The Ohio Valley Educational Cooperative is a Political Subdivision created by the authority of the Statutes of the Commonwealth of Kentucky. It is a cooperative entity established to act as fiscal agent in the coordination and administration of Federal programs for participating Kentucky local school districts, and to provide centralized purchasing benefits to the districts.

Basis of Accounting: The records of the Cooperative are maintained and the budgetary process is based on the cash basis method of accounting. Adjustments have been made to the cash basis financial statements to record accounts receivable and accounts payable with corresponding additions to and reductions from the fund balances.

Description of Funds: The General Fund receives membership dues from participating local school districts for the Cooperative's administrative purposes and to provide continuing education and staff development for educators in these local school districts.

Grant Funds account for the activities of federal programs in accordance with restrictions established by the respective grantors.

State and Local Grants account for the activities of education related programs in accordance with restrictions established by the various grantors. The fund also includes reimbursements under a Memorandum of Agreement with the Kentucky Department of Education (KDE) to provide employment to certain KDE personnel in order to meet its goals under the Kentucky Education Reform Act of 1990.

Cash: At June 30, 2000, the total carrying amount of the Cooperative's cash was deposited in an interest bearing deposit account and certificate of deposit in one financial institution, which is insured up to \$100,000 by federal deposit insurance. The remainder is covered by collateral held by the pledging bank's trust department in the Cooperative's name.

The Cooperative pools all cash held into one depository account. Where disbursements exceed receipts for a grant, a deficiency may exist for amounts requested for reimbursement which are included in accounts receivable for that grant.

Estimates in the Financial Statements: The preparation of financial statements in conformity with the basis of accounting discussed above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements arising from cash transactions adjusted for accounts receivable and accounts payable during the reporting period. Actual results could differ from those estimates.

(Continued)

OHIO VALLEY EDUCATIONAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement: The Governmental Accounting Standards Board has issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, which establishes the required components of the basic financial statements and supplementary information. The Statement is effective for periods beginning after June 15, 2002, which for the Cooperative, would be for the year ended June 30, 2003.

NOTE 2 – RETIREMENT PLANS

Certified employees are covered under the Kentucky Teachers' Retirement System (KTRS). Funding for the Plan is provided through payroll withholdings of 9.855% and matching contributions, which vary from 0% to 13% based on employment type. The Cooperative's total KTRS payroll for the year was \$8,132,327. The contribution requirement of the Cooperative for KTRS for the year ended June 30, 2000 was \$874,620.

Substantially all other employees (classified personnel) are covered under the County Employees' Retirement System (CERS), a cost sharing, multiple-member, public employee retirement system. Funding for the Plan is provided through payroll withholdings of 5.00% and a contribution of 7.28% of the employee's total compensation subject to contribution. The Cooperative's total CERS payroll for the year was \$1,668,172. The contribution requirement of the Cooperative for CERS for the year ended June 30, 2000 was \$121,443.

The Cooperative's total payroll for all employees was \$10,053,566 for the year ended June 30, 2000.

Benefits under both plans will vary based on final compensation, years of service and other factors as fully described in the Plan documents.

KTRS and CERS do not make separate measurements of assets and accrued liabilities for individual employers. Actuarial accrued liabilities, actuarial value of plan assets, and ten-year historical trend information showing KTRS's and CERS's progress in accumulating sufficient assets to pay benefits when due is presented in KTRS and CERS comprehensive annual financial reports.

As the Cooperative is only one of several employers participating in the Plan, it is not practicable to determine the Cooperative's portion of the unfunded actuarial accrued liabilities or the vested benefits of the Cooperative's portion of the Plan assets.

(Continued)

OHIO VALLEY EDUCATIONAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE 3 – FUTURE FUNDING

Funding for the Cooperative's grants is provided by federal, state and local governmental agencies. These funds are to be used for designated purposes only. If, based upon the grantor's review, the funds are considered not to have been used for the intended purpose, the grantor may request a refund of monies advanced, or refuse to reimburse the Cooperative for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the Cooperative's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

NOTE 4 – TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 5 – LEASE OBLIGATION

On March 2, 1998, the Cooperative entered into a sale\leaseback agreement with Shelby County Trust Bank to finance the acquisition of the land and office building the Cooperative currently occupies. The initial principal amount of the lease is \$750,000 and requires monthly payments of \$4,787. The lease term runs through June 30, 2000 and will be automatically renewable on July 1 of each of the succeeding seventeen years. The payments include an interest component at a rate of 5.90% per annum through, and including, March 31, 2003 and thereafter at a per annum interest rate equal to 72.5% of prime rate. Under this agreement, the Cooperative has the option to purchase the property during the term of the lease by giving proper notice and payment of the remaining principal portion of the lease payments and the interest accrued to the date of such purchase.

(Continued)

OHIO VALLEY EDUCATIONAL COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE 5 – LEASE OBLIGATION (Continued)

The future minimum lease payments under this lease for years subsequent to June 30, 2000 are:

2001	\$ 57,444
2002	57,444
2003	57,444
2004	57,444
2005	57,444
Thereafter	<u>1,014,707</u>
	\$ 1,301,927
Less the amount representing interest	<u>588,370</u>
Present value of minimum lease payments	<u>\$ 713,557</u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF COMPARISON OF RECEIPTS AND DISBURSEMENTS TO BUDGET
ADMINISTRATION
(GENERAL FUND)
Year ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable) <u>Variance</u>
Cash	\$ -	\$ 130,351	\$ 130,351
Receipts			
Revenues from school districts	\$ 168,338	\$ 154,965	\$ (13,373)
Revenues from state sources,			
Department of Education	51,000	48,285	(2,715)
Indirect revenues	403,025	440,128	37,103
Interest revenue	15,000	35,815	20,815
Other revenue	<u>67,515</u>	<u>55,235</u>	<u>(12,280)</u>
Total receipts	<u>\$ 704,878</u>	<u>\$ 734,428</u>	<u>\$ 29,550</u>
Disbursements			
Certified salaries	\$ 283,593	\$ 267,325	\$ 16,268
Classified salaries	72,809	69,897	2,912
Fringe benefits	26,937	18,875	8,062
Travel	15,200	16,385	(1,185)
Equipment	10,416	7,188	3,228
Supplies, postage and other	42,517	31,816	10,701
Other			
Computer software and support	10,000	8,938	1,062
Construction and renovations	22,000	-	22,000
Miscellaneous	2,085	3,764	(1,679)
Food	3,500	2,996	504
Subscriptions and publications	3,500	3,011	489
Contractual services	22,860	34,858	(11,998)
Printing, contractual	13,470	11,853	1,617
Audit	7,500	7,500	-
Rent	58,142	56,538	1,604
Building insurance utilities			
and maintenance	21,216	19,529	1,687
Telephone	24,400	23,595	805
Equipment rental	<u>30,733</u>	<u>27,132</u>	<u>3,601</u>
Total disbursements	<u>\$ 670,878</u>	<u>\$ 611,200</u>	<u>\$ 59,678</u>
Excess of receipts over disbursements	<u>34,000</u>	<u>123,228</u>	<u>89,228</u>
Cash, June 30, 2000	<u><u>\$ 34,000</u></u>	<u><u>\$ 253,579</u></u>	<u><u>\$ 219,579</u></u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PROJECT HEAD START – 2000
PROJECT NO. 04CH0381/09
Year ended June 30, 2000

Amount of grant		<u>\$ 1,807,316</u>
Receipts, U. S. Treasury		<u>\$ 1,651,234</u>
	<u>Budget</u>	
Disbursements		
Certified salaries	\$ 195,308	\$ 195,308
Classified salaries	797,129	802,831
Fringe benefits	162,010	154,385
Travel	35,994	42,394
Equipment	122,750	-
Supplies and printing	70,498	45,806
Contractual services	27,690	17,589
Substitutes	1,400	3,579
Parent activities	11,457	8,139
Nutrition and food	18,222	19,311
Subscriptions and publications	800	2,530
Printing – contractual	6,000	4,694
Training	16,573	17,302
Training and technical assistance	57,885	59,003
Literacy	1,800	791
Rent	25,200	24,443
Building insurance, utilities and maintenance	13,315	11,387
Vehicle insurance and maintenance	9,775	11,238
Child travel – bus/field trip	45,360	38,300
Telephone	12,000	16,032
Miscellaneous	1,150	994
Indirect charges	<u>175,000</u>	<u>175,000</u>
Total disbursements	<u>\$ 1,807,316</u>	<u>\$ 1,651,056</u>
Excess of receipts over disbursements		\$ 178
Accounts receivable, June 30, 2000		46,208
Accounts payable, June 30, 2000		<u>(46,386)</u>
Fund balance, June 30, 2000		<u><u>\$ -</u></u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PROJECT HEAD START – 1999
PROJECT NO. 04CH0381/08
Year ended June 30, 2000

Amount of grant				<u>\$ 1,783,666</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total Project</u>
Receipts, U. S. Treasury		<u>\$ 1,653,000</u>	<u>\$ 130,666</u>	<u>\$ 1,783,666</u>
	<u>Budget</u>			
Disbursements				
Certified salaries	\$ 148,139	\$ 138,554	\$ -	\$ 138,554
Classified salaries	738,232	761,219	7,755	768,974
Fringe benefits	156,250	141,926	782	142,708
Travel	55,625	49,370	5,009	54,379
Equipment	72,975	37,427	4,489	41,916
Construction and renovations	56,895	509	-	509
Supplies and printing	114,642	93,495	15,512	109,007
Contractual services	38,725	29,533	414	29,947
Substitutes	-	824	439	1,263
Parent activities	12,515	11,197	424	11,621
Nutrition and food	14,286	19,374	1,582	20,956
Subscriptions and publications	3,084	3,968	69	4,037
Advertising	-	1,764	15	1,779
Printing – contractual	13,200	9,015	1,690	10,705
Training	49,738	46,828	32,447	79,275
Training and technical assistance	9,827	6,968	100	7,068
Literacy	1,960	1,987	-	1,987
Rent	19,812	24,224	-	24,224
Building insurance, utilities and maintenance	29,800	9,228	84,993	94,221
Vehicle insurance and maintenance	9,400	9,308	1,012	10,320
Child travel – bus/field trip	42,101	38,050	16	38,066
Telephone	10,000	12,831	2,668	15,499
Miscellaneous	4,115	1,651	-	1,651
Indirect charges	<u>182,345</u>	<u>175,000</u>	<u>-</u>	<u>175,000</u>
Total disbursements	<u>\$ 1,783,666</u>	<u>\$ 1,624,250</u>	<u>\$ 159,416</u>	<u>\$ 1,783,666</u>
Excess or (deficiency) of receipts over disbursements		<u>\$ 28,750</u>	<u>\$ (28,750)</u>	<u>\$ -</u>
Fund balance, June 30, 2000				<u><u>\$ -</u></u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PROJECT SCHOOL-TO-WORK URBAN/RURAL OPPORTUNITIES
PROJECT NO. U-6391-7-00-88-60
Year ended June 30, 2000

Amount of grant				<u>\$1,427,500</u>
		<u>Prior</u>	<u>Current</u>	<u>Total</u>
		<u>Year</u>	<u>Year</u>	<u>Project</u>
Receipts, Kentucky State Treasurer		<u>\$ 870,305</u>	<u>\$ 370,881</u>	<u>\$1,241,186</u>
	<u>Budget</u>			
Disbursements				
Classified salaries	\$ 52,017	\$ 27,863	\$ 5,627	\$ 33,490
Fringe benefits	8,723	4,749	867	5,616
Travel	12,000	6,576	2,805	9,381
Supplies and printing	65,000	39,957	13,803	53,760
Equipment	315,000	289,821	24,981	314,802
Contractual services	858,211	428,033	290,014	718,047
Stipends	75,000	47,624	20,396	68,020
Indirect charges	<u>41,549</u>	<u>26,187</u>	<u>11,023</u>	<u>37,210</u>
Total disbursements	<u>\$ 1,427,500</u>	<u>\$ 870,810</u>	<u>\$ 369,516</u>	<u>\$1,240,326</u>
Excess or (deficiency) of receipts over disbursements		<u>\$ (505)</u>	<u>\$ 1,365</u>	\$ 860
Accounts receivable, June 30, 2000				31,706
Accounts payable, June 30, 2000				<u>(32,566)</u>
Fund balance, June 30, 2000				<u>\$ -</u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
21ST CENTURY COMMUNITY LEARNING CENTERS - 2000
PROJECT NO. R287A981852-99
Year ended June 30, 2000

Amount of grant	\$ <u>600,000</u>
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Receipts, U. S. Department of Education	\$ <u>394,085</u>
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	<u>Budget</u>	
Disbursements		
Certified salaries	\$ 48,768	\$ 47,817
Classified salaries	23,480	26,808
Fringe benefits	9,685	10,435
Travel	9,994	15,012
Equipment	15,656	20,402
Supplies and printing	62,045	28,903
Contractual services	366,713	195,035
Project evaluation	7,000	-
Nutrition and food	7,400	690
Dues and memberships	240	-
Advertising	700	-
Printing - contractual	500	-
Training materials	90	2,882
Curriculum materials	26,792	17,259
Indirect costs	<u>20,937</u>	<u>21,234</u>
Total disbursements	<u>\$600,000</u>	<u>\$ 386,477</u>

Excess of receipts over disbursements	\$ 7,608
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Accounts receivable, June 30, 2000	49,451
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Accounts payable, June 30, 2000	<u>(57,059)</u>
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Fund balance, June 30, 2000	<u>\$ -</u>
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OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
21ST CENTURY COMMUNITY LEARNING CENTERS - 1999
PROJECT NO. R287A981852-98
Year ended June 30, 2000

Amount of grant				\$ 600,000
		<u>Prior</u>	<u>Current</u>	<u>Total</u>
		<u>Year</u>	<u>Year</u>	<u>Project</u>
Receipts, U. S. Department of Education	\$ 461,000	\$ 119,932	\$ 580,932	
	<u>Budget</u>			
Disbursements				
Certified salaries	\$ 48,347	\$ 40,018	\$ 14,948	\$ 54,966
Classified salaries	20,287	7,238	402	7,640
Fringe benefits	9,726	6,578	38	6,616
Travel	13,663	13,106	1,595	14,701
Equipment	24,810	11,920	3,430	15,350
Supplies and printing	2,700	194	1,026	1,220
Contractual services	399,288	337,021	116,939	453,960
Student incentives	2,500	-	-	-
Project evaluation	6,000	-	-	-
Nutrition and food	14,749	1,973	2,449	4,422
Dues and memberships	280	105	-	105
Advertising	-	71	-	71
Printing – contractual	4,875	162	5	167
Training	700	12,513	300	12,813
Building maintenance	2,153	-	-	-
Child travel – bus/field trip	10,351	-	-	-
Curriculum materials	15,869	6,063	1,578	7,641
Telephone	3,735	174	187	361
Indirect costs	19,967	19,967	-	19,967
	<u>\$ 600,000</u>	<u>\$ 457,103</u>	<u>\$ 142,897</u>	<u>\$ 600,000</u>
Excess or (deficiency) of receipts over disbursements		<u>\$ 3,897</u>	<u>\$ (22,965)</u>	\$ (19,068)
Accounts receivable, June 30, 2000				19,068
Accounts payable, June 30, 2000				-
Fund balance, June 30, 2000				<u><u>\$ -</u></u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PROJECT JOB LINK – 1999
PROJECT NO. H234M970026-98
Year ended June 30, 2000

Amount of grant				<u>\$ 238,000</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total Project</u>
Receipts, U. S. Department of Education		<u>\$ 113,000</u>	<u>\$ 117,687</u>	<u>\$ 230,687</u>
	<u>Budget</u>			
Disbursements				
Certified salaries	\$ 43,373	\$ 21,686	\$ 18,460	\$ 40,146
Classified salaries	103,684	46,835	60,828	107,663
Fringe benefits	24,095	9,017	9,648	18,665
Travel	12,559	3,739	4,923	8,662
Equipment	8,500	6,663	72	6,735
Supplies and printing	5,931	2,409	242	2,651
Stipends	4,500	-	5,897	5,897
Project evaluation	6,000	20	7,000	7,020
Vehicle insurance	1,400	432	192	624
Telephone	165	48	58	106
Indirect charges	<u>27,793</u>	<u>15,075</u>	<u>17,443</u>	<u>32,518</u>
Total disbursements	<u>\$ 238,000</u>	<u>\$ 105,924</u>	<u>\$ 124,763</u>	<u>\$ 230,687</u>
Excess or (deficiency) of receipts over disbursements		<u>\$ 7,076</u>	<u>\$ (7,076)</u>	<u>\$ -</u>
Fund balance, June 30, 2000				<u><u>\$ -</u></u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PROJECT MIGRANT TECHNOLOGY – 2000
PROJECT NO. S144A70029
Year ended June 30, 2000

Amount of grant		<u>\$ 699,500</u>
Receipts, U. S. Department of Education		<u>\$ 623,602</u>
	<u>Budget</u>	
Disbursements		
Certified salaries	\$ 160,126	\$ 203,252
Classified salaries	178,933	123,360
Fringe benefits	52,326	40,725
Travel	33,108	20,688
Equipment	16,350	9,513
Supplies and printing	13,200	8,284
Contractual services	102,200	70,253
Computer software	39,200	37,789
Stipends	8,625	1,925
Project evaluation	24,000	15,315
Food and Nutrition	500	736
Advertising	2,050	515
Printing – contractual	2,000	3,467
Child travel – bus/field trip	1,000	16,125
Telephone	1,800	205
Indirect charges	<u>64,082</u>	<u>71,908</u>
Total disbursements	<u>\$ 699,500</u>	<u>\$ 624,060</u>
(Deficiency) of receipts over disbursements		\$ (458)
Accounts receivable, June 30, 2000		58,992
Accounts payable, June 30, 2000		<u>(58,534)</u>
Fund balance, June 30, 2000		<u><u>\$ -</u></u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PROJECT MIGRANT TECHNOLOGY - 1999
PROJECT NO. S144A70029
Year ended June 30, 2000

Amount of grant	\$ <u>720,000</u>
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	<u>Prior Year</u>	<u>Current Year</u>	<u>Total Project</u>
Receipts, U. S. Department of Education	\$ <u>465,000</u>	\$ <u>255,000</u>	\$ <u>720,000</u>

Budget

Disbursements

Certified salaries	\$ 155,460	\$ 143,242	\$ -	\$ 143,242
Classified salaries	173,843	88,719	669	89,388
Fringe benefits	51,292	30,924	-	30,924
Travel	30,100	17,926	1,505	19,431
Equipment	44,092	16,524	48,367	64,891
Supplies and printing	7,800	7,935	2,073	10,008
Contractual services	118,700	83,144	94,275	177,419
Student incentives	6,600	104	-	104
Computer software	25,500	23,357	67,163	90,520
Stipends	6,925	734	-	734
Project evaluation	24,000	8,000	16,000	24,000
Advertising	50	4,002	232	4,234
Child travel – bus/field trip	1,000	-	-	-
Printing – contractual	5,200	9,129	2,408	11,537
Curriculum development	4,400	1,080	278	1,358
Telephone	2,800	285	54	339
Indirect charges	<u>62,238</u>	<u>51,871</u>	<u>-</u>	<u>51,871</u>
Total disbursements	<u>\$ 720,000</u>	<u>\$ 486,976</u>	<u>\$ 233,024</u>	<u>\$ 720,000</u>

Excess or (deficiency) of receipts over disbursements	<u>\$ (21,976)</u>	<u>\$ 21,976</u>	<u>\$ -</u>
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Fund balance, June 30, 2000	<u><u>\$ -</u></u>
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OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PROJECT MIGRANT - 2000
PROJECT NO. S214A60027-97
Year ended June 30, 2000

Amount of grant		<u>\$ 269,869</u>
Receipts, U. S. Department of Education		<u>\$ 259,239</u>
	<u>Budget</u>	
Disbursements		
Certified salaries	\$ 87,404	\$ 91,676
Classified salaries	84,783	99,785
Fringe benefits	29,497	26,084
Travel	21,655	12,924
Equipment	15,000	19,318
Supplies and printing	8,380	5,562
Contractual services	325	-
Project evaluation	8,965	4,000
Nutrition and food	1,500	1,524
Child care	2,000	826
Training	325	-
Rent	600	90
Building insurance, utilities and maintenance	748	-
Audit	800	-
Vehicle insurance and maintenance	4,200	4,419
Child travel – bus/field trip	2,787	-
Telephone	900	3,661
Total disbursements	<u>\$269,869</u>	<u>\$ 269,869</u>
(Deficiency) of receipts over disbursements		\$ (10,630)
Accounts receivable, June 30, 2000		15,300
Accounts payable, June 30, 2000		<u>(4,670)</u>
Fund balance, June 30, 2000		<u><u>\$ -</u></u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PROJECT MIGRANT - 1999
PROJECT NO. S214A60027
Year ended June 30, 2000

Amount of grant	\$ <u>269,869</u>
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	<u>Prior Year</u>	<u>Current Year</u>	<u>Total Project</u>
Receipts, U. S. Department of Education	\$ <u>269,869</u>	\$ <u>-</u>	\$ <u>269,869</u>

Budget

Disbursements

Certified salaries	\$ 84,858	\$ 94,422	\$ (5,303)	\$ 89,119
Classified salaries	96,877	75,720	3,887	79,607
Fringe benefits	28,724	22,839	1,181	24,020
Travel	22,155	23,610	1,850	25,460
Equipment	500	4,691	1,833	6,524
Supplies and printing	11,820	11,978	1,129	13,107
Contractual services				
Project evaluation	9,000	11,000	-	11,000
Nutrition and food	1,000	2,001	663	2,664
Child care	3,348	270	-	270
Advertising	200	430	98	528
Printing – contractual	500	2,664	-	2,664
Training	1,300	1,499	1,095	2,594
Audit	800	-	-	-
Vehicle insurance and				
Maintenance	5,100	9,521	72	9,593
Child travel – bus/field trip	3,087	22	-	22
Telephone	600	2,383	314	2,697
Total disbursements	<u>\$ 269,869</u>	<u>\$ 263,050</u>	<u>\$ 6,819</u>	<u>\$ 269,869</u>

Excess or (deficiency) of receipts over disbursements	\$ <u>6,819</u>	\$ <u>(6,819)</u>	\$ <u>-</u>
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Fund balance, June 30, 2000	\$ <u>-</u>
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OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PARENT AND CHILD EDUCATION FOR FAMILY INDEPENDENCE - 2000
PROJECT NO. PACE-2000-123
Year ended June 30, 2000

Amount of grant	\$ <u>298,651</u>
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Receipts, Kentucky Department for Adult Education and Literacy	\$ <u>239,806</u>
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Budget

Disbursements

Certified salaries	\$ 53,705	\$ 59,268
Classified salaries	160,152	154,233
Fringe benefits	34,224	29,383
Travel	13,400	23,583
Equipment	2,250	2,513
Supplies and printing	1,475	1,549
Contractual services	2,100	1,041
Printing – contractual	700	936
Child care	1,400	1,640
Curriculum materials	12,500	6,077
Training	9,150	4,521
Building insurance, utilities and maintenance	1,250	210
Vehicle insurance	1,400	2,161
Child travel – bus/field trip	2,100	186
Telephone	1,300	2,288
Indirect charges	<u>10,695</u>	<u>10,695</u>
Total disbursements	<u>\$307,801</u>	<u>\$ 300,284</u>

(Deficiency) of receipts over disbursements	\$ (60,478)
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Accounts receivable, June 30, 2000	66,484
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Accounts payable, June 30, 2000	<u>(6,006)</u>
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Fund balance, June 30, 2000	<u><u>\$ -</u></u>
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OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PARENT AND CHILD EDUCATION FOR FAMILY INDEPENDENCE - 1999
PROJECT NO. PACE-98-99-117
Year ended June 30, 2000

Amount of grant				<u>\$ 289,315</u>
		<u>Prior</u>	<u>Current</u>	<u>Total</u>
		<u>Year</u>	<u>Year</u>	<u>Project</u>
Receipts, Kentucky Department for Adult Education and Literacy		<u>\$ 294,315</u>	<u>\$ _____</u>	<u>\$ 294,315</u>
	<u>Budget</u>			
Disbursements				
Certified salaries	\$ 81,597	\$ 77,108	\$ -	\$ 77,108
Classified salaries	105,672	128,397	(10,219)	118,178
Fringe benefits	30,723	30,832	42	30,874
Travel	25,140	16,455	3,476	19,931
Equipment	1,600	5,977	-	5,977
Supplies and printing	1,300	4,853	-	4,853
Contractual services	1,600	2,726	45	2,771
Nutrition and food	-	801	6	807
Child care	3,900	208	-	208
Curriculum development	20,000	10,344	2,655	12,999
Training	2,820	6,019	317	6,336
Vehicle insurance and Maintenance	-	3,689	62	3,751
Child travel – bus/field trip	2,800	358	-	358
Telephone	2,800	795	6	801
Indirect charges	<u>9,363</u>	<u>-</u>	<u>9,363</u>	<u>9,363</u>
Total disbursements	<u>\$ 289,315</u>	<u>\$ 288,562</u>	<u>\$ 5,753</u>	<u>\$ 294,315</u>
Excess or (deficiency) of receipts over disbursements		<u>\$ 5,753</u>	<u>\$ (5,753)</u>	<u>\$ -</u>
Fund balance, June 30, 2000				<u><u>\$ -</u></u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
TITLE IV-B – HEALTHY FAMILIES AMERICA PROJECT – 1999
PROJECT NO. SS-97-98-3047
Year ended June 30, 2000

Amount of grant	\$ <u>85,348</u>
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	<u>Prior Year</u>	<u>Current Year</u>	<u>Total Project</u>
Receipts, KIPDA	\$ <u>60,467</u>	\$ <u>24,881</u>	\$ <u>85,348</u>

Budget

Disbursements

Certified salaries	\$ 31,116	\$ 30,127	\$ -	\$ 30,127
Classified salaries	31,746	21,000	699	21,699
Fringe benefits	9,303	7,056	108	7,164
Travel	7,724	5,904	273	6,177
Supplies and printing	1,216	1,097	663	1,760
Contractual services	100	1,232	300	1,532
Curriculum development	400	9,418	3,110	12,528
Telephone	600	1,184	29	1,213
Indirect charges	<u>3,143</u>	<u>3,068</u>	<u>80</u>	<u>3,148</u>
Total disbursements	<u>\$ 85,348</u>	<u>\$ 80,086</u>	<u>\$ 5,262</u>	<u>\$ 85,348</u>

Excess or (deficiency) of receipts over disbursements	<u>\$ (19,619)</u>	<u>\$ 19,619</u>	<u>\$ -</u>
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Fund balance, June 30, 2000	<u><u>\$ -</u></u>
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OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
PROJECT IDEA, PART B, DISCRETIONARY – 2000
Year ended June 30, 2000

Amount of grant		<u>\$ 280,482</u>
Receipts, Kentucky Department of Education		<u>\$ 140,000</u>
	<u>Budget</u>	
Disbursements		
Certified salaries	\$ 96,988	\$ 79,329
Classified salaries	11,646	7,977
Fringe benefits	19,285	11,271
Travel	15,000	15,223
Equipment	21,434	4,059
Supplies and printing	9,666	5,352
Contractual services	22,000	2,412
Training and assessment materials	20,072	7,644
Substitutes	37,282	819
Subscriptions and publications	5,000	3,148
Stipends	18,000	150
Rent	1,200	675
Audit	800	-
Telephone	1,000	218
Miscellaneous	1,109	-
Totals	<u>\$280,482</u>	<u>\$ 138,277</u>
Excess of receipts over disbursements		\$ 1,723
Accounts receivable, June 30, 2000		41,155
Accounts payable, June 30, 2000		<u>(42,878)</u>
Fund balance, June 30, 2000		<u><u>\$ -</u></u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
STATEMENT OF GRANT RECEIPTS, DISBURSEMENTS AND FUND BALANCE –
ADJUSTED FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
EARLY READING INCENTIVE GRANT
PROJECT NO. M-99009923
Year ended June 30, 2000

Amount of grant		<u>\$ 390,135</u>
Receipts, Kentucky Department of Education		<u>\$ 390,135</u>
	<u>Budget</u>	
Disbursements		
Classified salaries	\$ 15,842	\$ 6,532
Fringe benefits	5,178	1,101
Travel	22,827	5,779
Supplies and printing	5,200	2,340
Contractual services	126,740	61,313
Stipends	85,900	27,240
Curriculum development and material	40,300	19,972
Sub recipient grant	87,148	40,734
Telephone	<u>1,000</u>	<u>-</u>
Totals	<u>390,135</u>	<u>\$ 165,011</u>
Excess of receipts over disbursements		\$ 225,124
Accounts receivable, June 30, 2000		-
Accounts payable, June 30, 2000		<u>(24,874)</u>
Fund balance, June 30, 2000		<u>\$ 200,250</u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
Year ended June 30, 2000

<u>Program Title</u>	<u>Program or Award Amount</u>	<u>Cash Balance (Deficit) July 1, 1999</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Cash Balance (Deficit) June 30, 2000</u>
Memorandum of Agreement	\$ -	\$ (6,585)	\$ 6,744,747	\$ 6,733,013	\$ 5,149
Casey Foundation	51,750	(525)	-	(525)	-
KTLN Coordinator	-	(27,695)	-	(27,695)	-
Elementary Resource Teacher	5,000	3,033	-	3,033	-
Kentucky Writing Program	5,250	(3,086)	-	(3,086)	-
NASSAP Assessment Training	62,913	604	-	604	-
KTLN Project	68,918	(17,967)	-	(17,967)	-
PRISM "Bringing Prism to Schools"	75,000	405	-	405	-
Developing the Leadership Talents of Gifted Students	35,000	175	-	175	-
Kentucky Teacher Internship Program	50,000	72	-	72	-
Model Teacher Content Area Network Sites	169,612	104,672	-	895	103,777
Leap 2000 (Adult Education Innovative Project)	123,640	-	79,157	100,553	(21,396)
Early Reading Incentive Grant – 2000	390,135	-	390,135	165,011	225,124
Academic Content Assessment	95,000	82,906	-	51,205	31,701
Middle Level Initiative	24,400	2,295	-	2,295	-
Collaborative for Elementary Learning 1998	-	(63,444)	448,559	458,258	(73,143)
WHAS Crusade for Children 1998	63,477	9,115	15,555	24,670	-
WHAS Crusade for Children 1999	73,000	-	48,667	55,955	(7,288)
Kentucky Colonels - 1999	9,500	6,426	-	6,426	-
Kentucky Colonels – 2000	9,000	-	9,000	4,577	4,423
IHD/KY Transition Project	422	410	-	410	-
IHD/KY Transition Project	1,564	2,510	-	2,510	-
IHD/KY Transition Project	743	529	-	529	-
National Center for Family Literacy	7,814	(1,425)	-	(1,425)	-
Project Bravo!	-	(141,589)	253,013	144,987	(33,563)
March of Dimes	1,300	538	-	538	-
Citicorp	8,180	(1,991)	-	(1,991)	-
Texas Instruments	6,000	-	6,000	4,000	2,000
Regional Primary Workshops	12,201	11,311	-	11,311	-
Kentucky Autism Training	2,600	2,600	-	-	2,600
CSIF Training and Review	8,400	6,500	-	(18)	6,518
Phillip Morris Management Corp.	15,000	6,921	-	6,921	-
KCEE- Economics America	-	(12,314)	241,620	241,209	(11,903)
Parent and Child Education for Family Independence - 1999	289,315	5,753	-	5,753	-
Parent and Child Education for Family Independence – 2000	298,651	-	239,806	302,892	(63,086)
Kentucky Educators PD	57,750	-	57,750	48,712	9,038
Kentucky Virtual High School Project	100,000	-	100,000	22,250	77,750
Gifted and Talented Project	20,000	-	20,000	-	20,000
Reading is Fundamental – Head Start	1,500	-	1,500	1,224	276
Reading is Fundamental – MEES	1,500	-	1,500	1,480	20
Bluegrass State Skills	-	-	14,172	12,918	1,254
Total state and local awards		<u>\$ (29,846)</u>	<u>\$ 8,671,181</u>	<u>\$ 8,362,084</u>	<u>\$ 279,251</u>

OHIO VALLEY EDUCATIONAL COOPERATIVE
SCHEDULE OF INSURANCE IN FORCE
(Unaudited)
June 30, 2000

<u>Coverage</u>	<u>Amount</u>	<u>Date of Expiration</u>
Building	\$637,000	March 2, 2001
Personal property	\$212,000 \$250 deductible	March 2, 2001
Automobile Liability	\$2,000,000 liability \$2,000,000 uninsured motorist \$2,000,000 underinsured motorist	October 13, 2000
Workers' Compensation	Statutory	December 31, 2000
Educators Legal Liability	\$1,000,000 aggregate \$1,000,000 per occurrence	June 30, 2000
General Liability	\$2,000,000 general aggregate \$1,000,000 products – complete operations aggregate \$1,000,000 personal and advertising injury \$1,000,000 per occurrence \$50,000 fire damage \$5,000 medical expense	June 30, 2000
General Liability Head Start Sites	\$1,000,000 general aggregate \$1,000,000 products – complete operations aggregate \$1,000,000 personal and advertising injury \$1,000,000 per occurrence \$50,000 fire damage \$5,000 medical expenses	October 13, 2000
Student Accident – Excess Medical	\$5,000 death \$15,000 specific loss \$25,000 overall maximum	February 24, 2001
Miscellaneous Crime Employee Dishonesty	\$400,000 \$250 deductible	December 1, 2000

OHIO VALLEY EDUCATIONAL COOPERATIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2000

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U. S. Department of Education</u>			
Passed through the Kentucky Department of Education			
Project Even Start – 1998	84.213		\$ 2,345
IDEA, Part B, Discretionary Grant 1999	84.122	OVEC-DG-97	31,305
IDEA, Part B, Discretionary Grant 2000	84.122	OVEC-DG-98	138,277
Goals 2000 - Pipeline – 1997	84.276A		2,047
Goals 2000 - Project Scimatch – 1999	84.276A		61,625
Goals 2000 - Project Impact – 1997	84.276A		300
Goals 2000 - Project Promise – 1999	84.276A		38,659
Goals 2000 - Project Smart – 2000	84.276A		77,000
Project Title I - 1998	84.010A		123
Project Kentucky Character Education Program – 1997	84.215V		3,335
Project Kentucky Character Education Program – 1999	84.215V		221,872
Project Kentucky Character Education Program – 2000	84.215V		135,611
Private School Chapter 2 Set-Aside – 1996	84.298A		1,085
Private Non-Profit Catholic - 1998	84.298A		10,101
Private Non-Profit Catholic – 1999	84.298A		24,994
Private Non-Profit Catholic – 2000	84.298A		35,716
Private Non-Profit - Other Than Catholic - 1997	84.298A		6,640
Non-Public Schools Commission – 1998	84.298A		8,126
Program for Participating Private, Nonprofit – Other Than Catholic - 1999	84.298A		2,287
Limited English Proficiency Project	84.194Q		1,982
Mathematics Teachers Portfolio Development	84.276A		1,145

(Continued)

OHIO VALLEY EDUCATIONAL COOPERATIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2000

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
<u>U. S. Department of Education (Continued)</u>			
Passed through the Kentucky Department of Education (Continued)			
Character Education Support	84.186A		\$ 376
KTLN	84.318		8,375
Collaborative Teaching Model Training Program	84.027A		502
Comprehensive System of Personnel Development	84.027A		793
Pass through Cabinet for Workforce Workforce Development – Department for Adult Education and Literary Adult Education –			
Basic Grant - 1999	84.002	PDC-98-99-152	30,932
Basic Grant – 2000	84.002	PDC-2000-165	69,495
Staff Development	84.002	DAEL-98-99-084	144,861
Passed through the Kentucky Council on Postsecondary Education			
	84.319		9,763
Passed through The Urban Institute Goals 2000 Evaluation Partnership Project			
	84.276		4,739
Direct			
Project Ride – 1998	84.024B		4,937
Project Ride – 1999	84.024B		18,354
Project Ride - 2000	84.024B		135,717
Project Trails – 1998	84.158D		7,010
Migrant Education Even Start – 1999	84.214A		6,819
Migrant Education Even Start – 2000	84.214A		269,869
Project Migrant Technology – 1999	84.144A		233,024
Project Migrant Technology – 2000	84.144A		624,060
Project Job Link – 1999	84.234M		124,762
21 st Century Community Learning Centers - 1999	84.287A		142,897
21 st Century Community Learning Centers – 2000	84.287A		<u>386,477</u>
Total U. S. Department of Education			<u>\$ 3,028,337</u>

(Continued)

OHIO VALLEY EDUCATIONAL COOPERATIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2000

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through the Kentucky Department of Education			
Cardiovascular Health, Enhanced School Health Program - 1999	93.945		\$ 101,517
Cardiovascular Health, Enhanced School Health Program – 2000	93.945		205,108
Passed through the Kentuckiana Regional Planning and Development Agency			
Title IV-B – Healthy Families America Project – 1999	93.556	SS-98-99-3047	5,262
Direct			
Project Head Start - 1999	93.600		159,416
Project Head Start - 2000	93.600		<u>1,651,056</u>
Total U. S. Department of Health and Human Services			<u>\$ 2,122,359</u>
<u>U. S. Department of Labor</u>			
Passed through Cabinet for Workforce Development – Office of School-to-Work			
Project School-to-Work – 1998	84.278B	9814-009	<u>\$ 369,516</u>
<u>Corporation for National and Community Service (CNS)</u>			
Vista/Summer/Transportation	94.013		<u>11,198</u>
Total Federal Financial Assistance			<u><u>\$ 5,531,410</u></u>

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Ohio Valley Educational Cooperative
Shelbyville, Kentucky

We have audited the financial statements of the Ohio Valley Educational Cooperative (the “Cooperative”) as of and for the year ended June 30, 2000, and have issued our report thereon dated November 2, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Cooperative’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cooperative’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Crowe, Chizek and Company LLP

Crowe, Chizek and Company LLP

Louisville, Kentucky
November 2, 2000

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Ohio Valley Educational Cooperative
Shelbyville, Kentucky

Compliance

We have audited the compliance of Ohio Valley Educational Cooperative (the “Cooperative”) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The Cooperative’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Cooperative’s management. Our responsibility is to express an opinion on the Cooperative’s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Cooperative’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Cooperative’s compliance with those requirements.

In our opinion, Ohio Valley Educational Cooperative complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of Ohio Valley Educational Cooperative is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Cooperative's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Crowe, Chizek and Company LLP

Crowe, Chizek and Company LLP

Louisville, Kentucky
November 2, 2000

OHIO VALLEY EDUCATIONAL COOPERATIVE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Ohio Valley Educational Cooperative.
2. No material weaknesses relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Ohio Valley Educational Cooperative were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award program for Ohio Valley Educational Cooperative expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Ohio Valley Educational Cooperative.
7. The programs tested as a major program were: Project Head Start, CFDA No. 93.600; Cardiovascular Health, CFDA No. 93.945; IDEA, Part B, Discretionary, CFDA No. 84.122; Project Ride, CFDA No. 84.024B; Migrant Education Even Start, CFDA No. 84.214A.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Ohio Valley Educational Cooperative was determined to be a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None
